

Application No. 10/664,853

## REMARKS

Applicant has carefully studied the outstanding Official Action mailed on November 3, 2005. This response is intended to be fully responsive to all points of rejection raised by the Examiner and is believed to place the application in condition for allowance. Favorable reconsideration and allowance of the application are respectfully requested.

The drawings stand objected "because Fig. 4, described as showing operational components of the system, is not consistent with that description. The elements shown in Fig. 4 are not operational components of a system. They are abstract elements that have a role in the decision making process of the method."

Applicant respectfully traverses this objection. The elements in Fig. 4 are lists. They are the main operational lists of the system. The arrows represent connections or dependencies among the lists. Although the lists are in computer files or in computer memory, calling them "abstract" might not be accurate. These lists are needed for the operation of the system and they are dynamically updated while the system is operational. That is why they were called "system operational components", and it is believed the nomenclature is correct.

Claim 14 stands objected due to lack of antecedence. Claim 14 has been appropriately amended to correct this.

Claim 18 stands rejected under 35 USC §112, second paragraph for the phrase "maximum/minimum/average" being indefinite. Claim 18 has been appropriately amended to correct this.

Claims 1-24 stand rejected under 35 USC §102(b) as being anticipated by Ginter (US 5892900).

Applicant respectfully traverses this rejection as is now explained in detail.

One of the major differences between Ginter and the instant invention (herein "Blau") is that Ginter talks about **security** and **protection** in a system in order to enable the copyright owners to sell digital content to users and to enforce the users to use the content only in a **restricted** and **controlled** way.

Blau uses a different approach. Its purpose is to enable the users to have an **exchange**, similar to a stock exchange, but for digital items and especially for bandwidth and files. Unlike Ginter, Blau is not talking about "secure transaction" and not about enforcing "electronic rights protection". Rather, Blau enables a competitive dynamic pricing of digital items, which are offered and requested by the users.

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Another distinction is that Ginter's system is an asymmetrical (seller-buyer) retail system and Blau's system is a symmetrical exchange system. Ginter does not allow sophisticated dynamic pricing like Blau. Ginter does not allow supply and demand to determine the price on both sides with differentiation between the price of the bandwidth and the price of the right-to-use-the-item. Blau does. In the Blau system, a minimum upload (or download) bandwidth may be required before effecting the transfer of the digital item.

Claim 1 has been accordingly amended to emphasize this distinction between Blau and Ginter.

Examiner has rejected the feature of "automatically finding the best price for said item" in claim 3, based on Ginter column 270 line 66 – column 271 line 20: "A more complex form of a negotiation is analogous to "haggling." In this scenario, most of the terms and conditions are fixed, but one or more terms (e.g., price or payment terms) are not. For these terms, there are options, limits, and elements that may be negotiated over. A VIDE electronic negotiation between two parties may be used to resolve the desired, permitted, and optional terms. The result of the electronic negotiation may be a finalized set of rules and control information that specify a completed electronic contract. A simple example is the scenario for purchasing software described above adding the ability of the purchaser to select a method of payment (VISA, Mastercard, or American Express). A more complex example is a scenario for purchasing information in which the price paid depends on the amount of information about the user that is returned along with a usage audit trail. In this second example, the right to use the content may be associated with two control sets. One control set may describe a fixed ("higher") price for using the content. Another control set may describe a fixed ("lower") price for using the content with additional control information and field specifications requiring collection and return the user's personal information. In both of these cases, the optional and permitted fields and control sets in a PERC may describe the options that may be selected as part of the negotiation. To perform the negotiation, one party may propose a control set containing specific fields, control information, and limits as specified by a PERC; the other party may pick and accept from the control sets proposed, reject them, or propose alternate control sets that might be used. The negotiation process may use the permitted, required, and optional designations in the PERC to determine an acceptable range of parameters for the final rule set. Once an agreement is reached, the negotiation process may create a new PERC and/or URT that describes the result of the negotiation. The resulting PERCs and/or URTs may be "signed" (e.g., using digital signatures) by all of the

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negotiation processes involved in the negotiation to prevent repudiation of the agreement at a later date."

It is respectfully submitted that nowhere in the above passage does Ginter automatically finding the best price for said item. "Haggling" is totally different from automatically finding the best price for the item. In the best price may be automatically found by searching the lists of buyers and sellers. Ginter does not contemplate this.

Search for said digital item prior to requesting or offering said digital item:

Examiner has rejected claim 16 based on Ginter column 167 lines 11-51.

Applicant respectfully traverses this rejection. These lines in Ginter describe a database, some lists and records, security and some uses of the database. The word "keyword" is not mentioned at all. The "amount of item that would be found" is not found in Ginter either. Blau describes a special way to manipulate keywords in a search system, which is not taught by Ginter at all.

Examiner also refers to Ginter, column 75 line 65 – column 76 line 24. Here Ginter talks about encryption of content in computer memory, but this does not anticipate the possibility of combining keywords in a Boolean expression to form a query, as taught by Blau.

Examiner also refers to Ginter Column 152 lines 17-28. Here Ginter describes "atomic elements" that contain content or parts of it. This is not the same as Blau, wherein keywords are connected to digital items and can be arranged in a Boolean expression to form queries.

Examiner also refers to Ginter Column 26 line 66 – column 28 line 16: "templates ... support ... criteria related to ... user interactions with content", and after that "selection of methods types ... menu choices ... multiple choice, icon selection ... method parameter data ... identification information" and then "configurable templates ... type of content ... document types ... subsets of users". However, these are all general terms, and not related to what Blau teaches about keyword, LKW, keyword searching and of course not related to meta-keywords.

Examiner also refers to Ginter column 171 lines 14-42: "secure database ... protected memory ... key identification ... decrypted ... re-encrypted ... protect the data structures". These are all security and protection methods. However this is not related to Blau's keywords, LKW and meta-keywords, which are used in a special search system.

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Examiner also refers to Ginter column 184 – line 7 – column 185 line 14, which discuss object registration: “registration option selections ... User Registration Table”. It is about the procedure of registering what is called “object”. It has nothing to do with Blau’s keywords, LKW and meta-keywords.

Accordingly, all of the claims are deemed allowable. Applicant respectfully requests that a timely Notice of Allowance be issued in this case.

Respectfully submitted,

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